

## 6 Ways to Be Happy With Your Finances

Handling money and your finances, whether you're single or in a relationship, can be challenging. From paying the necessities like your mortgage or rent, your credit card and utility bills to scrimping together some extra cash for a new pair of shoes or a vacation; many Americans are struggling.

How can you stress less and enjoy life more on your same salary? Personal finance expert Donna Cygan, Author of *The Joy of Financial Security*, reminds you, "Money doesn't buy happiness but it definitely impacts our happiness. People do not need to be wealthy to have a healthy attitude toward money. Recognizing that other factors – such as our relationships with friends and family, our focus on experiences rather than "things", having an attitude of gratitude, and plenty of laughter make for a truly rich life."

Tips on how to be happy with your finances

Okay let's cut to the chase. How the heck can you find financial happiness, especially after your boss just gave you a tiny, if any, raise? Cygan has these six tips:

- **Control the controllables**

Many people feel helpless when it comes to improving their finances. They assume things are outside of their control, and they don't know where to begin. The fabulous news is: We have control over the most important things when it comes to our money! We control our spending, our saving, whether we pay off our credit cards each month, and whether we live within our means. The things outside of our control – such as the economy, stock market swings, or what is happening with interest rates – have very little impact on our finances. We should embrace the things we can control, and take very deliberate actions to improve our finances.

- **Stop trying to keep up with the Joneses**

It's deadly to your financial future. This takes a deliberate commitment because it is so pervasive in our society. The pressure to keep up with the Joneses is toxic to financial security. Commit to not needing to replace your car yet, and not needing another big-screen TV, or the latest iPhone or iPad upgrade. Perhaps you decide you do not need any new clothing this month. Put the money you are saving toward building an emergency fund, or toward extra savings and investments.

- **Analyze your current investments**

Do you know how much you are currently saving? Studies show that to become financially secure, the amount you save is far more important than the amount you earn. If you are saving 5% of your gross income, kick it up to 8% this year. Strive for 15-20% within a few years. Do you have

a current net worth statement? Have you determined your tolerance for loss and selected an asset allocation for your investments? Have you weeded your garden (eliminated all investments that are not performing well)? Are your investments diversified? Understand the difference between good debt and bad debt. Use the three tax bucket strategy to save money on taxes. (You can find lots of free, cool tools here)

### · Retrain your brain to make smarter financial decisions

Neuroscientists have learned that our brains are constantly changing, from the time we are born until the time we die. Our brain can build new neural pathways when we replace an old habit with a new habit, or change our attitude or lifestyle. The brain's ability to build new neural pathways is termed neuroplasticity.

### · You control roughly 40% of your happiness: Seize the opportunity to become happier!

According to studies, nature (genetics) and nurture (our environment) control 60% of our happiness. The great news is that 40% is totally under our control. We don't want to miss the opportunity to become happier, and small changes can lead to big rewards. It is up to us to decide to make a few small changes.

### · Strategies that work best to maximize your happiness

Focus on experiences with friends and family, rather than on "things". (Healthy relationships with friends and family are the #1 way to become happier based upon psychology research). This can be as simple as inviting a friend to lunch, taking a day trip to explore a nearby town, or going to a concert. For a couple, it may mean leaving Saturday afternoon unplanned for spontaneity. For a single person this may mean joining the local hiking club or check out some local Meet Up groups to meet some new friends.

Other happiness boosters include thinking about gratitude each day, nurturing your creativity, giving back (through volunteering your time or donating money), laughing more, simplifying (our lives and our finances), and leading a healthy lifestyle (through exercise, food choices, and getting plenty of sleep).

If you're in relationship Cygan warns, "Couples should work together, on their finances and their happiness. Money has a tremendous amount of power in our society, and it is also the leading cause of divorce among couples. I encourage couples to discuss money and make deliberate decisions to manage it wisely. Neglecting our money never works. When couples work together to manage their money and also increase their happiness, they have a shared mission that strengthens the relationship."

Read more: <http://www.galtime.com/story/24789562/6-ways-to-be-happy-with-your-finances#ix-zz32HHLjcFa>